

Message Text

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SUBJ: PLANNING MINISTER' S SPEECH AT IDB MEETING

REF: STATE 088594, 092535

SUMMARY: IN SPEECH AT ANNUAL IDB MEETING IN KINGSTON
PLANNING MINISTER BARLETTA CREDITED PRIVATE INTERNATIONAL
MARKESTS, EXIMBANK, AID AND INTERNATIONAL FINANCIAL AGENCIES
FOR CONTRIBUTING TO DEVELOPMENT EFFORTS OF PANAMA' S REVOLUTIONARY
GOVERNMENT. HE REFERRED TO CIAP STUDIES CONCERNING LATIN AMERICAN
CONTINUING EXTERNAL FINANCING NEEDS AND SUPPORTED ORTIZ MENA' S
IDEA FOR IDB TO MOBILIZE RESOURCES FROM EXTERNAL SOURCES. IN
ONE OF FREQUENT REFERENCES TO EACH COUNTRY SOLVING PROBLEMS
IN ITS OWN WAY, BARLETTA SUGGESTED THAT EACH NATION MUST FIND THE
SHOE THAT FITS MOST COMFORTABLY. END SUMMARY

1. SPEECH BY MINISTER OF PLANNING AND ECONOMIC POLICY NICOLAS
ARDITO BARLETTA BEFORE XIV MEETING OF IDB GOVERNORS WAS REPORTED
IN FULL IN LOCAL PRESS. MINISTER ALSO PERSONALLY DELIVERED COPY
TO AMBASSADOR.

2. BARLETTA REVIEWED FINANCING ASSISTANCE PROVIDED TO THE
REVOLUTIONARY GOVERNMENT' S DEVELOPMENT EFFORTS. DURING THE LAST
FOUR YEARS PANAMA RECEIVED SIGNIFICANT ASSISTANCE FROM IDB, IBRD,
AID, EXIMBANK AND IMF. THE \$177 MILLION IN OFFICIAL LOANS
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AUTHORIZED DURING THIS PERIOD PRACTICALLY DOUBLED THE RATE OF SIMILAR CREDITS RECEIVED DURING 1961-68 (PERIOD PRIOR TO REVOLUTIONARY GOVERNMENT). BARLETTA ALSO CREDITED U S WITH FIANANCIAL COOPERATION IN CONSTRUCTING THE DARIEN HIGHWAY WHICH, ALTHOUGH FORMING A PART OF A PROJECT OF INTER- AMERICAN INTEG- RATION, PROVIDES NEW OPPORTUNITIES AND BENEFITS FOR PANAMA. THIS DEMONSTRATION OF ASSISTANCE HAS ENCOURAGED THE PANAMANIAN PEOPLE AND THE REVOLUTIONARY GOVERNMENT. BARLETTA ADDED THAT PANAMA DESIRES TO CONTINUE RECEIVING FINANCING FOR DEVELOPMENT FROM BOTH MULTI- LATERAL AND BILATERAL SOURCES WITHIN STANDARDS AND METHODS WHICH WILL PERMIT CONTINUED STRENGTHENING OF NATIONAL INDEPENDENCE. BARLETTA ALSO REFERRED TO PANAMA' S ACCESS IN RECENT YEARS TO PRIVATE INTERNATIONAL FINANCIAL MARKETS IN OBTAINING PARTICIPATION OF 30 BANKS IN FINANCING OPERATIONS AND EXPRESSED THE HOPE THAT PANAMA COULD CONTINUE EXPANDING THESE INTERNATIONAL OPERATIONS, LOOKING FORWARD TO ESTABLISHING STRONGER AND FIRMER BONDS WITH INTERNATIONAL CAPITAL MARKETS.

3. BARLETTA MENTIONED PURELY PANAMANIAN INCOME REDISTRIBUTION SCHEMES WHICH INCLUDE COOPERATIVES WHICH EMPHASIZE LABOR INTEN- SIVE ACTIVITIES, THE CREATION OF MIXED ENTERPRISES WITH THE PARTICIPATION OF CAMPENSINOS (FARMERS), AND THE STRENGTHENING OF LOCAL GOVERNMENT ADMINISTRATION.

4. MENTIONING AGAIN THE DARIEN HIGHWAY PROJECT, BARLETTA SAID THAT IF IT HAD BEEN A PURELY PANAMANIAN PROJECT IT WOULD HAVE BEEN CONSTRUCTED UNDER DIFFERENT SPECIFICATIONS AND AT MUCH LESS COST. BECAUSE IT WILL BE A PAVED HIGHWAY FOR RAPID TRANSPORTATION, BARLETTA REITERATED PANAMA' S REQUEST TO THE IDB FOR A FINANCIAL CONTRIBUTION WHICH WILL MAKE UNNECESSARY THE DIVERSION OF PANAMA' S RESOURCES FROM OTHER PROJECTS OF HIGHER NATIONAL PRIORITY.

5. AFTER MENTIONING SEVERAL ESSENTIAL UNDERTAKINGS IN ORDER TO REDUCE AND EVENTUALLY ELIMINATE THE GROWING UNEMPLOYMENT THROUGHOUT ALL OF LATIN AMERICA, BARLETTA REFERRED TO THE CIAP STUDIES WHICH INDICATE THAT EXTERNAL FINANCING OF NOT LESS THAN \$3.5 BILLION ANNUALLY WILL BE NEEDED BY LATIN AMERICA DURING THE NEXT FEW YEARS AND IN EXCESS OF \$5.0 BILLION DURING THE SECOND HALF OF THE DECADE. HE ADDED THAT IDB, IBRD, AID, EXIMBANK AND IMF HAD AUTHORIZED \$2 .7 BILLION IN 1972, DISBURSING AROUND \$2.0
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BILLION. BARLETTA STATED THAT THESE FIGURES DEMONSTRATE THE NECESSITY OF FINDING ADDITIONAL SOURCES OF FINANCING IF WE CONSIDER DESIRABLE A MINIMUM OBJECTIVE OF REDUCING REGIONAL UN- EMPLOYMENT.

6. REFERRING TO FUNDING SOURCES FOR THE BANK, BARLETTA EXPRESSED CONFIDENCE THAT THE UNITED STATE WOULD COMPLETE WITHIN THE COURSE

OF THIS YEAR THE CONTRIBUTION WHICH HAD BEEN PROMISED IN 1970
AND THAT PROGRESS IN OBTAINING PARTICIPATION OF OTHER COUNTRIES
WOULD BE EVIDENT WITHIN THE NEAR FUTURE.

7. AFTER EMPHASIZING THE IMPORTANCE OF THE LINK BETWEEN CREATION
OF NEW WORLD LIQUIDITY, WITHIN INTERNATIONAL MONETARY REFORM, AND
DEVELOPMENT FINANCING, HE INDICATED THAT, ALTHOUGH THE OBJECTIONS
STATED BY SECRETARY SHULTZ ARE WORTHY OF CONSIDERATION, THERE
MUST BE A SOLUTION. HE EXPRESSED THE HOPE THAT THE PRESENT
MEETINGS OF THE GROUP OF 24 AND OF 20 AT THE IMF WOULD FIND A
FORMULA.

8. BARLETTA REFERRED TO AN IDEA OF PRESIDENT ORTIZ MENA WHEREBY
THE IDB WOULD " MOBILIZE THE MAXIMUM POSSIBLE RESOURCES FROM OTHER
EXTERNAL SOURCES" SAYING THAT THE IDB COULD ACT AS A CATALYTIC
AGENT IN CHANNELING GREATER LEVEL OF FINANCING IN THIS MANNER
IF IT SHOULD NEED MORE TIME TO AUGMENT ITS ANNUAL LEVEL OF LOANS
TO \$1.5 BILLION. HE ADDED THAT COUNTRIES WHICH HAVE GREATER
FACILITY IN PENETRATING WORLD CAPITAL MARKETS CAN OBTAIN
HELP IN THIS MANNER WHILE THE PARTICIPATION OF RELATIVELY LESSER
DEVELOPED COUNTRIES IN TRADITIONAL LOA

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